



STANDARD TERMS AND CONDITIONS OF SALE
for the Direct Purchase and Resale of AHF Products Flooring

These are the Standard Terms and Conditions of Sale by which AHF, LLC dba AHF Products (hereinafter “AHF”) will sell its Products to each authorized AHF retailer (hereinafter a “Purchaser” of AHF products). Unless AHF otherwise agrees in writing, these terms and conditions govern all sales to Purchaser of AHF flooring products (hereinafter “Product” or “Products”).

Any terms or conditions now or hereafter proposed by Purchaser that are inconsistent with or in addition to these terms and conditions set forth herein are expressly rejected by AHF and shall be void and of no effect.

1. **Sale of Products.** AHF appoints Purchaser as a reseller of certain designated AHF products (“Products”) within a separately agreed upon territory or market. AHF reserves the right to change, limit the distribution of, or discontinue Products from time to time and without liability to Purchaser upon prior notice to Purchaser. AHF also reserves the right to sell Products on a direct basis throughout the United States and Canada.
2. **Prices and Conditions of Sale.** AHF will sell Products to Purchaser at their list prices set by AHF in effect at the time of shipment to Purchaser. The current price lists for the Products will be communicated by an AHF sales executive. Any exceptions to AHF’s current list prices must be agreed to in writing by AHF and shall be subject to AHF’s Basis of Sale Policies applicable to such pricing. All Product sales are subject to continuing credit approval and the terms and conditions of the applicable AHF sales policies in effect at the time of purchase by Purchaser. Prices, credit terms, payment terms, discounts, sales and distribution policies and terms and conditions of sale may be changed from time to time at AHF’s discretion. AHF may allocate production and deliveries of Products in its reasonable discretion.
3. **Best Efforts.** Purchaser will use its best efforts to promote, sell and service all Products within its geographic market and promote the goodwill associated therewith, including administration of claims related to the Products. Purchaser shall also use its commercially reasonable efforts to resolve claims with respect to the Products within thirty (30) days. AHF will assist Purchaser with the resolution of claims which AHF determines in its sole discretion are attributable to manufacturing defects.
4. **Adequate Sales, Inventory, Ship and Delivery Services.** Purchaser will maintain an appropriate level of Products that Purchaser has agreed to sell in order to effectively support its geographic market. In addition, Purchaser will maintain sufficiently trained personnel, including sales managers, sales representatives and customer service representatives, to promote, sell, deliver and service Products within the geographic market. Purchaser will also provide sales, marketing and logistics services to its customers of Products within the geographic market.

5. **Freight; Orders; Delivery.** Unless otherwise agreed in writing or as set forth by AHF all Products will be invoiced to Purchaser either F.O.B. AHF's plant/distribution center freight paid to destination or F.O.B. AHF's plant/distribution center point of shipment, at AHF's discretion. Products shipped from outside North America are delivered duty paid direct to Purchaser with title of goods transferring to Purchaser at the port of origin. AHF will insure all Products during transit and will assume risk of damage and loss until Products are delivered. For such Products shipped from outside of North America, AHF will accept from Purchaser only firm orders to which definite delivery schedules apply, and all such accepted orders cannot be cancelled. No order placed with AHF will be considered as accepted until acknowledged as accepted in writing by AHF. AHF will use reasonable efforts to meet but does not warrant delivery dates requested by Purchaser. Any dates specified by AHF for delivery of Products are intended to be an estimate only and the time for delivery shall not be made of the essence by notice. AHF will not be liable in the event of early or late delivery. If no dates are so specified, delivery shall be within a reasonable time.
6. **Damages, Shortages, Defects and Returns.** Purchaser shall inspect all Products upon delivery and shall notify AHF in accordance with AHF Policies and Procedures of any shortage, damage or defects. Product returns must be made in accordance with AHF's Policies and Procedures.
7. **Payment Terms.** Payment terms for the Products shall be agreed to between AHF and Purchaser and will be set forth on the invoice. Time for payment shall be of the essence. Any applicable cash and early payment discounts shall be agreed to between AHF and Purchaser as set forth on the invoice and calculated from the invoice date and the invoice date is the date of shipment unless otherwise noted. No payment shall be deemed to have been received until AHF has received cleared funds. In the event of late payment Purchaser will be automatically in default without a notice of default being required and a charge of 1.5% per month may be added to any invoice not paid within the applicable terms. In addition, Purchaser agrees to reimburse AHF for all costs, including reasonable attorneys' fees, incurred in the collection of any overdue amount. If Purchaser fails to make a payment on the due date or AHF has good reason to believe that Purchaser will not or will not be able to fulfill its obligations under these T&C, then, without prejudice to any of AHF's other rights, AHF may suspend or cancel deliveries of any Products due to Purchaser until payment in full is received or satisfactory assurances are given.
8. **Trademarks.** Purchaser acknowledges that AHF is the owner or licensee of all AHF trademarks ("Trademarks"). Purchaser shall not contest AHF's ownership or the validity of Trademarks and agrees that it will not use the Trademarks as part of any incorporated or registered business name, Internet domain name or trademark. Any goodwill established in the Trademarks by Purchaser's use of them will inure exclusively to AHF. Purchaser will not use the Trademarks except in accordance with any AHF & Tagline Guidelines and AHF's Policies and Procedures, and any such use shall be made only in a manner that is reasonably designed to protect, preserve and promote the goodwill of AHF in the Trademarks. AHF shall have the right to review and approve all uses of the Trademarks by the Purchaser. Purchaser shall immediately discontinue use of the Trademarks if Purchaser is no longer an authorized AHF reseller and shall immediately remove the Trademarks from its locations, trucks, stationery, business cards, advertisements, and any other materials used in Purchaser's business, except as otherwise directed by AHF.
9. **Confidentiality.** In the course of doing business, the Purchaser and AHF may each from time to time provide the other with confidential information. Each of AHF and Purchaser shall treat all of such information as though it were its own, and shall not disclose such information to any third party, including, but not limited to, the news media or industry analysts. Confidential information shall only be used in connection with performance under the purchase order. Each of AHF's or Purchaser's confidential information may include any non-public knowledge, information and materials relating to such Party, its products, sales, customers, employees and business, including but not limited to, financial statements, projections, pricing, sales, promotions or product specification data (whether written or electronic), or the results of any mediation or private adjudication, as well as information on such Party's plans for expansion, distribution, marketing and product development. The Parties agree that this Confidentiality provision protects special and unique

information such that in the event of breach, the harmed party is entitled to seek full relief available at law and in equity, including, but not limited to, money damages, specific performance, and/or injunctive relief. All right, title and interest to Confidential Information are and shall remain the property of the Party disclosing such information. The foregoing obligations shall survive indefinitely. This Confidentiality provision is in addition to and does not replace any other confidentiality requirements which may be in effect between AHF and Purchaser. If a "Confidentiality Agreement" is executed under separate cover, it shall be incorporated herein by reference as if set forth at length.

10. **Non-Agent.** Purchaser is a contractor to AHF and is not an agent of, and is not in an employment relationship nor a joint venture with AHF. Purchaser is not authorized to act for, incur debt for or make any representations or warranties on behalf of AHF. Purchaser shall not represent itself to the public as an agent or representative of AHF. Purchaser shall be solely responsible for any representations or warranties that are not authorized by AHF in writing or stated in AHF's promotional materials.
11. **Mutual Indemnification.** Each Party shall hold the other harmless and shall indemnify the other from and against all demands, losses, costs, damages, suits, judgments, penalties, expenses and liabilities of any kind incurred by the non-indemnifying Party in connection with any third party claims to the extent arising out of and attributable to the indemnifying Party's performance under these T&C, and/or the negligence or misconduct of its employees, including but not limited to claims incurred in connection with its ownership, leasehold or operation of its manufacturing or distribution locations and other operations.
12. **Compliance.** Purchaser shall be responsible for compliance with any and all applicable federal, state and local laws, including without limitation, laws relating to safety, consumer protection, anti-bribery, anti-corruption, equal employment opportunity, minority and women or disadvantaged business enterprises and environmental or hazardous substances. Purchaser also agrees to abide by AHF's Code of Business Conduct, a copy of which can be found at www.AHFProducts.com, to the fullest extent applicable.
13. **Insurance.** Purchaser shall maintain worker's compensation insurance as required by law, and commercial general liability and automobile insurance policies with limits of not less than \$2,000,000 per occurrence with a \$5,000,000 general aggregate insuring Purchaser against any loss, claim, liability or suit for bodily injury, death, personal injury or property damage. Purchaser can meet the required limits through a combination of primary and excess liability policies. The policies shall name AHF as an additional insured and shall be issued by a company or companies licensed to do business in the states in which Purchaser conducts business, having a rating of "A" or better (Excellent) by A.M. Best Company. Upon AHF's request, Purchaser shall provide AHF with a certificate evidencing this insurance and will provide AHF with copies of its insurance policies evidencing this insurance. The insurance required herein shall be maintained at all times. However, Purchaser shall have the right to change insurers for business reasons, upon reasonable notice to AHF.
14. **Choice of Law.** These T&C and any agreements they are applicable thereto shall be governed by the laws of the Commonwealth of Pennsylvania without consideration of any principles governing conflicts of law that might cause the laws of another jurisdiction to apply.